

THE COST OF LIVING CRISIS AND THE FOOD BANKS OF THE FEBA NETWORK: WHAT ARE THE IMPACTS ON THEIR DAILY ACTIVITIES?

he European Food Banks Federation (FEBA), working with 30 members in as many European countries, explains in this piece the challenges their sector faces as a result of the cost of living crisis. It provides an overview of how the pandemic, the Russian war against Ukraine, and inflation has not only affected the ability of organisations to secure a sufficient and adequate stock of food, but also its logistical and financial consequences. With detailed statistics and background information into the available relief programmes at EU level, this article allows for an insightful analysis of the current crises.





The cost of food has risen rapidly across the globe. According to the Food and Agriculture Organization's (FAO) Food Price Index,¹ in March 2022 food prices hit record highs which had not been seen since the 1990s, as the war in Ukraine caused turmoil in markets for staple grains and edible oils. Rising food prices mean that fewer people can have access to sufficient, safe, nutritious and sustainable food and that many people could fall into food insecurity as a result. Several factors are contributing to this rise in food prices, which are driving the cost of living crisis.

Since its outbreak at the beginning of 2020, the COVID-19 pandemic has affected economies and societies at their core, decimating jobs, causing disruptions of supply chains and laying bare the fragility of our globalised agri-food system. These unprecedented challenges have threatened the livelihoods of people worldwide and, thereby, have considerably impacted the demand of food. According to Eurostat, 95.4 million European citizens, or more than a fifth of the population, lived on the brink of poverty or material and social deprivation in 2021.²

At the end of February 2022, the Russian invasion of Ukraine did not only cause a major humanitarian emergency but has shaken up once again the global food system, which had just started to recover from the health crisis. While having an immediate impact on the Ukrainian population, the consequences of the war are increasingly spreading across Europe and beyond. Skyrocketing inflation, a dramatic reduction of spending power and soaring prices have led to a cost of living crisis hitting the most vulnerable groups the hardest.

1 FAO, FAO Food Price Index posts significant leap in March, 8 April 2022.

2 Eurostat, <u>Over 1 in 5 at risk of poverty or social exclusion</u>, 15 September 2022.

It is also important to mention that increases in the frequency and intensity of extreme climate events are compromising crop yields and undermining industries like agriculture and aquaculture to meet demand. In this context, Food Banks are needed now more than ever before in recent memory. They step up to save good food from becoming food waste and ending up in a landfill. They also step in as food relief, an increasing necessity for communities facing unimaginably difficult situations.

The European Food Banks Federation (FEBA) is a European non-profit organisation and works in collaboration with 24 full members and 6 associate members in 30 European countries. Since 1986, FEBA's mission has focused on representing its membership at a European and international level; supporting and strengthening Food Banks in Europe by providing training, sharing best practices and knowledge, establishing partnerships as well as fostering the creation and development of new Food Banks. FEBA brings together a network of Food Banks which are committed to prevent food waste and to reduce food insecurity every day. In 2021, FEBA members redistributed 907,280 tonnes of food (+18% compared to 2019 as pre-COVID benchmark) to support 45,810 charitable organisations helping 11.8 million people in need (+24% increase compared to 2019).

A recent report published by FEBA has revealed that, at the beginning of 2022, the trend in quantities of redistributed food by FEBA Members has been deeply affected by the Ukraine crisis. Redistributed food has increased in Eastern Europe as a result of exceptional donations in

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response to the war in Ukraine to support refugees, while decreasing in Western Europe.³ For some Food Banks, EU and/or national programmes for food aid have provided increased volumes of food for redistribution to the most deprived, however, others point out that particularly volumes of fruit and vegetables have dropped due to crop failure caused by climatic events such as droughts. It is additionally stressed that food donations from food business operators are declining due to problems related to the cost and availability of raw materials. Among those Food Banks which report a decrease, it is also noted that some commercial initiatives to combat food waste have contributed to a reduction in the amount of surplus food donated to Food Banks. However, respondents further state that the decrease is more attributable to a reduction in surplus food collected from food business operators due to rising inflation and the surging production costs they are facing.

3 European Food Banks Federation, <u>Assessment of FEBA Members' Activities</u>; <u>July 2021 to June 2022</u>, 30 September 2022.

At the same time, two thirds of FEBA members (66%) have experienced an increase in the amount of food requested by charities they cooperate with. More than 80% of respondents identified the largest group of final beneficiaries as families with children and single parents, followed by elderly people and refugees from Ukraine. In addition, internally displaced people, the disabled, the homeless, minorities, women experiencing violence, fragile victims of homophobia and transphobia as well as ex-prisoners are also named as being particularly vulnerable.

The cost of living crisis has further significant repercussions on the operations of Food Banks and associated charities as such. More than half of respondents stated that they have been affected by the Russian military invasion of Ukraine and the resulting geopolitical and socioeconomic consequences provoking spiralling food and energy prices. About 50% of respondents identified the steady rise in inflation, which started as early as 2021, as having negative side effects on their ability to carry out their daily activities.

EU programmes to provide material aid to the most deprived such as the Fund for European Aid to the Most Deprived (FEAD) and REACT-EU deserve special attention due to the volume of food and material assistance these funds finance. In the period from January to June 2022, 10 out of 30 FEBA members received food and basic products through them. Among these, 7 experienced various problems. Two-thirds of responders reported delays in the delivery of food and basic products, impacting the food volume available for redistribution. 30% of those who declared having difficulties stated retroactive price increases in existing contracts due to rising costs and lack of raw materials. Moreover, cancellations of existing contracts or suspensions of tenders posed challenges to the affected Food Banks.

Considering the day-to-day needs of Food Banks, all FEBA members (70% as an absolute necessity and 30% as important) reported that the greatest need is food suitable for redistribution, which emphasises that the provision of food is of utmost importance during the current crisis. Subsequently, 50% stated that financial support for Food Banks is a concrete requirement in order to carry out their daily activities. Not to be overlooked is the fact that one in three respondents noted that increasing the transportation and logistical capacity was an absolute necessity, as well as implementing favourable legislative changes that would facilitate and foster food banking operations.

On the backdrop of the outlined aspects and challenges, it can be concluded that the current cost of living crisis and its repercussions jeopardise the achievements of decade-long efforts to reduce food insecurity, poverty and social exclusion. Solidarity and support from all stakeholders are needed in order to allow Food Banks to continue to operate and even increase their activity to ensure no crumb is wasted and to better respond to the emerging needs and alleviate the hardship of the most deprived. The fact that end beneficiaries are being faced with the double penalty of reduced access to nutritious food and reduced quantities provided through the channels of Food Banks and charities must stop. The upcoming winter months will cause additional difficulties for end beneficiaries and those supporting them. Dropping temperatures are predicted to rapidly increase expenses for heating, as electricity costs continue to rise, making it more and more difficult for Food Banks to afford the safe collection, storage, and redistribution of chilled and frozen food items. Situations like these may lead to a decreasing variety of products available for the affiliated charities and thus can have a tangible impact on the food assistance they can provide to the most vulnerable groups.

In this time of crisis, FEBA members continue to work hard, as they have to face the double challenge of preventing good surplus food from becoming food waste and ensuring its safe delivery and redistribution to charities helping people in need. We continue to be, more than ever, against waste – be it waste of food, resources, and of course, people.